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# APPENDIX E — TRANSFERABILITY AND REAP-FLEX

## TRANSFERABILITY

Title VI, Part A, Subpart 2, of the No Child Left Behind Act of 2001 allows any LEA not identified for improvement or corrective action to transfer up to 50% of the funds allocated to it from identified programs into other specific programs. (An LEA eligible for SRS—Small Rural Schools, Title IV, Part B—may find it beneficial to use the flexibility provisions under that part of the law, rather than the transferability provisions of Title VI, Part A. See the information on REAP-Flex.)

Funds may be transferred out of the following programs:

- Title II, Part A (Teacher and Principal Training and Recruiting)
- Title II, Part D (Educational Technology State Grants)
- Title IV, Part A (Safe and Drug-Free Schools)
- Title V, Part A (Innovative Programs)

Funds may be transferred into any of the four programs noted above as well as into Title I, Part A. Funds may **not** be transferred out of Title I, Part A. Funds transferred into Title I, Part A may not be transferred out of Title I, Part A later.

An LEA that has been identified as being in need of improvement may transfer up to 30% of the allocated funds in Titles II-A, II-D, IV-A and V-A. Title I-A funds may **not** be transferred; this applies to both original Title I funds and funds transferred into Title I. The transferred funds may only be used to supplement school improvement activities or for improvement activities under Title I, Section 1116(c).

An LEA in corrective action may not transfer funds.

Funds transferred under Title VI, Part A, Subpart 2 are subject to all of the rules of the receiving program, including any statutory set-asides. Since each program covered by the transferability authority is required to provide equitable participation of private schools, timely and meaningful consultation with private school officials must be held prior to transfer.

If an LEA intends to transfer funds under this provision when the consolidated application is completed and submitted, the ESEA Title VI, Part A, Subpart 2 Transferability of Funds form should be completed and submitted with the application. The form is part of the application package. The application pages for the programs affected by the transfer should reflect the transfer and the budget pages should reflect the amount of the original allocation for each program.

If an LEA decides to transfer or to change a transfer after the consolidated application has been submitted, the LEA must notify the OPI 30 days prior to an intended transfer or change in transfer. A Budget and Program Modification form for each program affected by the transfer and a Transferability of Funds form must be sent to the OPI.

Funds are requested and reported fiscally under the Title from which they were originally allocated, but reported programmatically under the Title for which they were used.

See the attached worksheet for an illustration of coding of revenue and expenditures under both Transferability and REAP-Flex.

## REAP-FLEX

REAP-Flex is the term that the U.S. Department of Education has given to the “alternative uses of funds” authority under Title VI, Part B, Subpart 1 of the No Child Left Behind Act of 2001, the Small Rural Schools Achievement (SRSA) program. This authority provides an eligible local education agency (LEA) with greater flexibility in using specific formula grant funds (the LEA’s applicable funding) to support local activities under a number of Federal programs in order for the LEA to address local academic needs more effectively. REAP-Flex is intended to assist an LEA to ensure that all students meet academic achievement standards as measured by the definition of adequate yearly progress. Thus, in determining how best to use its applicable funding under REAP-Flex, an LEA should consider whether the planned activities would assist in meeting AYP.

LEAs eligible to participate in the SRSA program must:

- Have an ADA (average daily attendance) of less than 600 students or serve only schools located in counties with a population density of less than 10 persons per square mile; *and*
- Serve only schools that have an NCES school locale code of 7 or 8 (assigned by the U.S. Dept. of Education’s National Center for Education Statistics) or be located in an area of the state defined as rural by a governmental agency of the state.

Each spring the OPI provides enrollment and locale code information to the Federal Department of Education to verify SRSA eligibility.

One hundred percent (100%) of the funds allocated in the following programs (applicable funding) may be flexed:

- Title II, Part A (Teacher and Principal Training and Recruiting)
- Title II, Part D (Educational Technology State Grants)
- Title IV, Part A (Safe and Drug-Free Schools)
- Title V, Part A (Innovative Programs)

All of part of the “applicable funding” may be used for local activities authorized under one or more of the following ESEA programs:

- Title I, Part A (Improving the Academic Achievement of the Disadvantaged)
- Title II, Part A (Teacher and Principal Training and Recruiting)
- Title II, Part D (Educational Technology State Grants)
- Title III (Language Instruction for Limited English Proficient and Immigrant Children)
- Title IV, Part A (Safe and Drug-Free Schools)
- Title IV, Part B (21st Century Community Learning Centers)
- Title V, Part A (Innovative Programs)

Under the REAP-Flex program, an LEA must spend its “applicable funding” on local activities authorized under one or more of the authorized programs, but does not have to meet the set-aside requirements of those programs. Participation in the REAP-Flex program does not relieve the LEA of its responsibility to provide for equitable services for private school students and teachers under the flexed Titles.

If an LEA intends to redirect the use of applicable funds under the provisions of Title IV, Part B, Subpart 1 when the consolidated application is completed and submitted, the Small Rural Schools (SRS) page in the application should be completed and submitted with the application. If 100% of an allocation is redirected, the application pages for that grant need not be filled out, but the budget page must be completed. If only part of the allocation is redirected, the application pages must be filled out for the amount that is not being redirected and the budget page should be completed reflecting the total allocation.

If an LEA decides to redirect or to change a redirection after the consolidated application has been submitted, a Budget and Program Modification form for each affected program and modified application pages for each affected program should be submitted to the OPI.

Funds are required and reported fiscally under the Title from which they were originally allocated, but reported programmatically under the Title for which they were used.

See the attached worksheet for an illustration of coding of revenue and expenditures under both Transferability and REAP-Flex.

## Small Rural Schools (SRS) Allocations and Transferability

FROM		TO												
Orig Allocation	Title I Part A				Title II Part A		Title II Part D		Title IV Part A		Title V Part A		SRS	
	Elem or K12		HS											
	% Alloc	\$ Alloc	% Alloc	\$ Alloc	% Alloc	\$ Alloc	% Alloc	\$ Alloc	% Alloc	\$ Alloc	% Alloc	\$ Alloc	% Alloc	\$ Alloc
		45,000		15,000										
						13,000		12,000		5,000		25,000		10,000
Title I Part A	\$60,000				-50%	-6,500					-50%	-12,500	-35%	-3,500
Title II Part A	\$13,000	+ 50%	6,500						+ 50%	6,500				
Title II Part D	\$12,000										-25%	-6,250		
Title IV Part A	\$5,000				-50%	-6,500								
Title V Part A	\$25,000	+ 50%	12,500				+ 25%	6,250					- 65%	-6,500
SRS	\$10,000	+ 35%	3,500						+ 65%	6,500				
Total for Orig. Program's Purpose			67,500	15,000		0		18,250		18,000		6,250		0

Title I Part A			Title II Part A		Title II Part D		Title IV Part A		Title V Part A		SRS	
Revenues	Elem	HS	Revenues		Revenues		Revenues		Revenues		Revenues	
115-4200-313	45,000	15,000	115-4300-143	13,000	115-4310-603	12,000	115-4330-163	5,000	115-4350-393	25,000	115-4120-903	10,000
Exp			Exp		Exp		Exp		Exp		Exp	
115-420-XXXX-XXX-313	45,000	15,000	115-420-XXXX-XXX-143	6,500	115-431-XXXX-XXX-603	12,000	115-433-XXXX-XXX-163	5,000	115-435-XXXX-XXX-393	6,250	115-420-XXXX-XXX-103 (35%)	3,500
			X15-433-XXXX-XXX-143	6,500					115-420-XXXX-XXX-393 (50%)	12,500	115-433-XXXX-XXX-103 (65%)	6,500
									115-431-XXXX-XXX-393 (25%)	6,250		

This example assumes:

Title II Pt A -- Redirects 50% to Title I Pt A and 50% to Title IV Pt A.  
Title V Pt A -- Redirects 50% to Title I Pt A and 25% to Title II Pt D.  
SRS -- Redirects 35% to Title I Pt A and 65% to Title IV Pt A.

REMEMBER:

Request cash by project.  
Close-out each project separately, as the money was received.

Use **Revenue Code** for Orig Project

Use **Pgm Code** for PURPOSE

Use **Project Reporter Code\*** for Orig Project

\* Project Reporter Code (PRC) is a 3-digit code assigned by the district clerk to designate a particular grant project. Any 3 digits can be used, except 910-999 are reserved for OPI use only. OPI recommends using 2 digits for the money type ( see OPI Grants Handbook, section 100-19) and 1 digit for the grant year. For example, 313 would denote Title IA (money type 31) and FY03.